

first-quarter figure marked a decline of 2.6 percent, or \$1.33 trillion, from the final quarter of 2008.

Net worth represents total assets such as homes and checking accounts, minus liabilities like mortgages and credit card debt.

The damage to wealth in the first quarter came from the sinking stock market. The value of Americans' stock holdings dropped 5.8 percent from the final quarter of last year.

The stock market began to rally from 12-year lows in early March after Citigroup Inc. reported it was profitable in the first two months of the year. Since peaking in October 2007, it had been the worst bear market since the aftermath of the crash of 1929.

Another hit came from falling house prices. The value of household real-estate holdings fell 2.4 percent, according to the Fed report.

Collectively, homeowners had only 41.4 percent equity in their homes in the first quarter. That was down from 42.9 percent in the fourth quarter and was the lowest on records dating to 1945.

The Case-Shiller national home price index, a closely watched barometer, last month estimated that house prices dropped 7.5 percent during the first quarter. Prices have fallen 32.2 percent since peaking in the second quarter of 2006.

The latest snapshot of Americans' balance sheets was contained in the Fed's quarterly report called the flow of funds.

Despite the drop, the speed at which net worth shrunk slowed at the start of the year. During the recession's deepest point in the October-December period, Americans' net worth fell a record 8.6 percent, according to revised figures. That was the largest drop on records dating to 1951.

With wealth declining and unemployment rising, there are questions about how consumers—the lifeblood of the economy—will behave in the coming months.

If they continue to spend, even at a subdued pace, the recession likely will end this year as predicted by Fed Chairman Ben Bernanke and other economists. However, if consumers hunker down and cut spending again, that could delay any recovery. In the final quarter of last year, Americans slashed spending at an annualized rate of 4.3 percent, the most in 28 years.

Still, there was some encouraging news on consumer spending Thursday.

Retail sales rose 0.5 percent in May, following two straight monthly declines, the Commerce Department reported. Meanwhile, the number of newly laid-off workers filing for unemployment benefits fell last week by 24,000 to 601,000, the lowest level since late January.

DON'T GIVE TERRORISTS CONSTITUTIONAL RIGHTS

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Madam Speaker, "You have the right to remain silent. Anything you say can and will be used against you in a court of law. You have the right to an attorney present during questioning. If you cannot afford an attorney, one will be appointed for you."

American citizens are read these rights when they are taken into police custody. But the Obama administration has decided to give these rights to suspected terrorists overseas.

Why would the Obama administration give terrorists the same rights as American citizens? Members of al Qaeda and the other terrorist groups should be treated as what they are, America's enemies engaged in a war against the United States.

Giving terrorists constitutional rights is like giving a burglar the key to your house.

CONCERNS WITH A GOVERNMENT-RUN HEALTH CARE PLAN

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Madam Speaker, Republicans are committed to health care reform, and we have and will continue to offer positive solutions to achieve accessible, affordable health care for all Americans. Unfortunately, as Democrats sat behind closed doors to develop their plan, it appears they have failed to answer some troubling concerns about what seems quite likely to be an unwarranted government takeover of the health care system.

So in the spirit of honest debate, I ask my Democrat colleagues how they expect to pay for a government insurance plan without raising taxes or driving up the national debt. How will a government-run health plan not lead to the same rationing of care that we have seen in other countries? How will a government-run health plan protect the doctor-patient relationship, when Washington will now be empowered to pick and choose what procedures and treatments are, in their opinion, cost beneficial?

Before we turn congressional offices into waiting rooms, I hope my Democrat colleagues will answer these questions.

In conclusion, God bless our troops, and we will never forget September the 11th and the Global War on Terrorism.

NO NEW TAXES, NO NEW SPENDING, NO NEW DEBT

(Mr. CULBERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CULBERSON. Madam Speaker, I just finished speaking to the Bunker Hill and Wilchester Elementary School students, and I want to bring to the attention of the people here in the audience and out there the cover of the new Economist magazine which expresses beautifully the terrible, terrible burden that this Congress, this liberal majority, is passing on to our kids.

Now, there was debt run up under the previous administration. I as a member of the fiscally conservative minority voted against \$2.3 trillion worth of new spending under the previous administration. I already voted against \$1.6 trillion in this administration. And no matter who you are, fiscal conservative

or liberal, each one of us needs to remember as parents, as husbands, as responsible citizens, that we cannot pass on a burden of debt to our kids.

On every vote on every issue, we need to remember that our children are inheriting the biggest debt and the biggest deficit in our Nation's history. As bad as the deficit was under Mr. Bush, the Economist points out it will quadruple this year and stay over \$1 trillion a year out into the future.

Madam Speaker, on every vote on every issue, this Congress needs to cut spending. No new taxes, no new spending, and no new debt.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

(Mr. PAUL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE WAR FOR THE BORDER CONTINUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

Mr. POE of Texas. Madam Speaker, the out-of-control violence along our border is made up of more complex elements than most people realize. The criminal cartels controlling our southern border are a lot more powerful than we are led to believe. They are international organized crime cartels that make money off the weaknesses of others. They traffic drugs, money, weapons and human beings across our southern border. They leave death, doom, and destruction in their wake.

Make no mistake about it, there is corruption on both sides of the border that facilitates the lawlessness that is taking place there. Just last month the former sheriff of Starr County, Texas, Rey Guerra, pled guilty to Federal narcotics charges. He admitted to facilitating intelligence that helped Mexican drug traffickers invade the United States and evade counternarcotics efforts. That included trying to find out the identity of confidential informants.

Madam Speaker, he needs to be locked up forever for his betrayal of this country and law enforcement. But he is just one of a growing number of recruits from both sides of the border that are facilitating this avalanche of corruption and anarchy along the southern frontier.

The Mexican criminal cartels have added a layer of intelligence that better resembles foreign recruitment of spies during the Cold War than a traditional criminal enterprise. The huge